

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 6/17/2014	(3) CONTACT/PHONE Brian Pedrotti, Planner III/(805)788-2788 Terry Wahler, Senior Planner/(805)781-5621	
(4) SUBJECT Hearing to consider a resolution for a request by the County of San Luis Obispo for General Plan Amendments to: (1) incorporate information relative to infrastructure needs and financing within the "Disadvantaged Communities" of Shandon, San Miguel and Oceano into the County Land Use and Circulation Elements as required by Government Code Section 65302.10 (Senate Bill 244), and (2) make numerous updates and amendments to the Housing Element (Clerk's File) of the County General Plan including a new five-year Regional Housing Needs Plan as required by State law; and approve the CEQA exemption and addendum to the previously issued Negative Declaration respectively. All Districts.			
(5) RECOMMENDED ACTION That the Board of Supervisors: 1. Hold the public hearings on the amendments recommended for approval by the Planning Commission as set forth in the attached Exhibits and staff reports. 2. Take final action on the amendments heard today by adopting and instructing the Chairperson to sign the attached resolution approving the ordinance and waive reading of the ordinance.			
(6) FUNDING SOURCE(S) Current Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation {x} Hearing (Time Est. <u>60 Min.</u>) { } Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS {x} Resolutions { } Contracts {x} Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5 Vote Required {x} N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY {x} N/A Date: <u> </u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Brian Pedrotti, Planner III
Terry Wahler, Senior Planner

VIA: Ellen Carroll, Planning Manager/Environmental Coordinator

DATE: 6/17/2014

SUBJECT: Hearing to consider a resolution for a request by the County of San Luis Obispo for General Plan Amendments to: (1) incorporate information relative to infrastructure needs and financing within the "Disadvantaged Communities" of Shandon, San Miguel and Oceano into the County Land Use and Circulation Elements as required by Government Code Section 65302.10 (Senate Bill 244), and (2) make numerous updates and amendments to the Housing Element (Clerk's File) of the County General Plan including a new five-year Regional Housing Needs Plan as required by State law; and approve the CEQA exemption and addendum to the previously issued Negative Declaration respectively. All Districts.

RECOMMENDATION

That the Board of Supervisors:

1. Hold the public hearings on the amendments recommended for approval by the Planning Commission as set forth in the attached Exhibits and staff reports.
2. Take final action on the amendments heard today by adopting and instructing the Chairperson to sign the attached resolution approving the ordinance and waive reading of the ordinance.

DISCUSSION

At today's meeting, your Board will hold public hearings on the following amendments recommended for approval by the Planning Commission and take final action through adoption of a resolution.

The Planning Commission is transmitting the record of its meetings of May 22 and May 29, 2014 to your Board for the attached proposed amendments to the Land Use and Circulation Element and Housing Element of the General Plan and Oceano, Shandon and San Miguel community plans as follows:

Item 1. A request by the **County of San Luis Obispo** for a General Plan Amendment to incorporate information relative to infrastructure needs and financing within the "Disadvantaged Communities" of Shandon, San Miguel and Oceano into the San Luis Obispo County Land Use and Circulation Elements as required by Government Code Section 65302.10 (Senate Bill 244). The request includes revisions to the Shandon, San Miguel and Oceano Community Plans.

County File No: LRP2013-00014

Supervisory Districts: 1 & 4

The Planning Commission considered the above amendments and took the following action to recommend approval of the proposed amendment:

On the motion of Commissioner Jim Irving, seconded by Commissioner Murphy and carried (5-0), recommending to the Board of Supervisors approval of the amendments as shown in Exhibits LRP2013-00014:B (Oceano Community Plan), LRP2013-00014:C (Shandon Community Plan) and LRP2013-00014:D (San Miguel Community Plan) based on Findings in Exhibit LRP2013-00014:A.

Item 2. Hearing to consider a request by the **County of San Luis Obispo** for a General Plan Amendment with an evaluation of the previous housing element, the new 5 year Regional Housing Needs Plan, current income definitions, affordable sales prices and rents, analysis of appropriately zoned sites with the potential to meet future housing needs, population, housing and development trends, evaluation of existing housing stock, housing needs assessment and constraints to housing, revised housing policies and programs, as required by State law.

County File No: LRP2012-00010

Supervisory Districts: All

The Planning Commission considered the above amendments to the Housing Element of the General Plan and took the following action to recommend approval of the proposed amendments:

On the motion of Commissioner Don Campbell, seconded by Commissioner Jim Irving and carried (4-0), recommending to the Board of Supervisors approval of this General Plan amendment as shown in Exhibit LRP2012-00010:B based on Findings In Exhibit LRP2012-00010:A.

Background – Item 1 – Disadvantaged Communities Amendments

Government Code Section 65302.10 requires local governments to update the Land Use Element (or other applicable elements) of the General Plan on or before the adoption the Housing Element to incorporate information regarding infrastructure needs and financing within the “disadvantaged communities.” These requirements are the result of SB 244 (Wolk) that was passed in 2011 and later amended with clarifying language in 2012 (SB 1090). According to the Governor’s Office of Planning and Research’s (OPR) Technical Advisory for Senate Bill 244, *Land Use, General Plans, and Disadvantaged Communities* (2-15-13), the purpose of this legislation is to identify “disadvantaged communities” underserved by public water, sewer and other services and “...to begin to address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits within disadvantaged unincorporated communities.”

The County’s Land Use and Circulation Elements (LUCE) must be updated based on available data with “an identification of each legacy community within the boundaries of the county that is a disadvantaged unincorporated community, but not including any area within the sphere of influence of any city.” A legacy community is one that is inhabited and geographically isolated that has existed for at least 50 years. In addition, local governments are required to provide an analysis of water, wastewater, storm water drainage, and structural fire protection needs or deficiencies for each identified disadvantaged community. Further, the statute requires an analysis of benefit assessment districts or other financing alternatives that could make the extension of services to identified communities financially feasible.

Senate Bill 244 does not commit the County to any actions. Rather, it requires the necessary information to be placed in the LUCE. Staff used infrastructure information already available to meet the requirements of the statute. This information is placed in each community plan, as appropriate.

Staff analyzed U.S. Census data to identify three unincorporated communities to which SB 244 applies: Shandon, Oceano, and San Miguel. Staff used available data, including the Complete Communities Survey and the Shandon Community Plan. The proposed amendments include revisions to Chapter 3 (Public Services, Facilities, and Resources) of both the Oceano Community Plan (OCP) and the San Miguel Community Plan (SMCP), addition of appendices to each of those community plans, and amendments to the Shandon Community Plan to revise Chapter 6 (Public Facilities and Services) and Chapter 7 (Infrastructure and Utilities). A more detailed description of the revisions can be found in the Planning Commission staff report (Attachment A5).

Background – Item 2 – Housing Element

The Housing Element is one of the seven required elements of the San Luis Obispo County General Plan. Its purpose is to 1) facilitate the provision of needed housing for all income levels, and 2) meet the requirements of State law (Government Code Section 65583). Generally, all cities and counties must update their Housing Elements to be in compliance with State law every five years to address a planning period prescribed by the State. California Government Code Section 65588 requires the next Housing Element to be adopted by the Board of Supervisors by June 30, 2014.

A Public Review Draft of the Housing Element, 2014-2019 was published in April and made available to the public and the State Department of Housing and Community Development (HCD) for its review. HCD determined that the update qualified for a “Streamlined Review”, completed their preliminary review and provided comments to staff prior to the Planning Commission hearing. Final comments provided to County staff by HCD will be addressed at the Board of Supervisors hearing.

Extensive public outreach was accomplished by discussing the Housing Element with stakeholder groups at regular monthly meetings and through presentations to advisory councils and community groups such as the County Commission on Aging and the Workforce Housing Coalition.

While there are more revisions involving updating information such as income definitions, affordable sales prices and rents, population and development trends, the following items summarize the revisions.

Chapters 1 and 2 were revised to include updated information and an assessment of the effectiveness of the previous Housing Element.

Chapter 3 (Sites Analysis) was revised to include residential sites designated since the previous Housing Element update plus any that may have been inadvertently omitted from the previous Housing Element.

Chapter 4 (goal, objectives, policies and programs) was revised as follows:

1. New quantified objectives for housing production, rehabilitation and preservation were added based on projections for the next 5.5 years based on recent trends. The new housing production is approximately half of that in the previous Housing Element.
2. Some policies and programs were revised to emphasize that housing for the “workforce” is needed in addition to housing for very low, low and moderate income households. (Policies HE 1.4, HE 1.10, HE 1.14, Program HE 1.C, Program HE 1.L). This term was included in the previous Housing Element, but additional references to it are proposed in the updated Housing Element.
3. The option of adjusting impact fees by house size is added in Program HE 1.C.
4. Three programs in the previous Housing Element are proposed for deletion because they have been completed (or will be completed prior to adoption of the new Housing Element). These included the previous Program HE 1.F (density bonus), Program HE 1.R (reasonable accommodation), and HE 3.A (zoning for emergency shelters, transitional and supportive housing).
5. Previous Program HE 1.G (Revise residential development standards) is revised as Program HE 1.F to include recommendations from the Homeless Services Oversight Council (HSOC) regarding how residential density is quantified, the minimum site area for new mobile home parks, and support for a variety of housing types.
6. Previous Policy HE 1.10 is revised to clarify that its intent is to support plan or ordinance changes which facilitate appropriate residential densities, not to deny housing projects proposed at less than allowable density if they are otherwise consistent with plans and ordinances.
7. Previous Program HE 1.K (Require attached or zero lot line housing) is proposed for deletion because these are only two ways to achieve suitable density of homes. Developers should not be limited to these two design options.
8. Previous Program HE 1.L (Establish minimum Residential Multi Family densities) is proposed for deletion because most unincorporated communities have water or sewer constraints making this program challenging to implement.

9. Previous Program HE 1.N (Revise ordinances to promote efficient use of land) has been deleted and rewritten as new Program HE 1.F (Review and update residential development standards) to include recommendations from the HSOC and home builders.
10. Previous Program HE 1.M (now Program HE 1.J) has been revised to include in its desired result an improvement in access to information that may enable more shared use of existing housing. This was recommended by a member of the public.

Chapter 5 (Housing needs assessment) has been revised extensively to include more recent data on population, housing, and development trends.

Chapter 6 (Appendices) has been revised to include updated maps of sites, an evaluation of previous Housing Element programs, and more recent census data for the county. The census data for community profiles has been deleted because more recent data by community is available whenever needed through the Census Bureau's American Community Survey.

(Please see the May 22, 2014 Planning Commission staff report for a detailed discussion of the update.)

Planning Commission Review and Recommended Revisions – Item 2

The following is a summary of revisions presented to the Planning Commission and discussed at the May 22, 2014 public hearing:

- 1) On May 21, 2014 staff received the Department of Housing and Community Development's preliminary comments regarding the 2014 Draft Housing Element via a conference call. HCD's suggested revisions included adding average per acre land cost to Chapter 5 and inserting a reference in Program HE.3.A to include ordinance amendments to bring the definition of "family" into compliance with federal and state fair housing law. Staff incorporated these suggestions into Chapters 4 and 5.
- 2) Staff met with the County Commission on Aging on April 30, 2014 and discussed housing needs and issues as they relate to the Housing Element update. The County Commission on Aging followed up with suggested additions and clarifications to Chapter 4. Staff incorporated some of these suggestions into Chapter 4.
- 3) Staff meets regularly with the Home Builders of the Central Coast (HBACC). In response to discussions at these meetings regarding Work Force Housing, staff made additions to Chapters 3, 4 & 5.

A summary of revisions discussed at the May 29, 2014 continued public hearing are included below:

- 1) Addition of a section explaining the urgent need for affordable housing in Chapter 1, Introduction.
- 2) Revisions to Chapter 3 to correct the reference to Templeton's water sources; to reference the 640 square foot secondary residence limitation in North Coast Area Plan; to remove the reference to a Templeton parcel listed as a "vacant residential site" in Table 3.5 since this property now has a recently approved affordable housing project on it. This site is listed as "approved new housing" in Appendix A and reflected in in Table 3.1 Related number changes in the text are also included.
- 3) Revisions to Chapter 4 Objective 3.0 to clarify efforts to prevent and end homelessness; revision to Program HE 1-A to clarify the intent for future general plan amendments to increase Residential Multi-Family zoned land; correction to Program HE 2.C to reflect updated "desired result" to 2,501; revision to Program HE 3.B "Desired Result" to reflect a reduction instead of an end to homelessness.

- 4) Revisions to Chapter 5 - Addition of a new table (Table 5.4) to include HUD census data showing number of households in different income levels in 2000 and 2010; corrections to numbers in Table 5.11; correct "additional housing units" from 175 to 168 to reflect updated number; revision to clarify change in the number of mobile homes; include bikes as transportation alternative; revision to clarify Cambria's efforts to address water supply concerns; at the request of a member of the public add additional language to Program HE 1.J under "Description" and "Desired Result" to clarify that this program can promote the use of vacant or underutilized existing housing through education about "home share" programs and various efforts to educate and support landlords to encourage more rentals and home shares.
- 5) Revisions to Chapter 6 - Appendix B to remove maps of the deleted Templeton parcel.
- 6) Correct miscellaneous typographic errors.

All of the above revisions, additions and corrections suggested by stakeholder groups, members of the public, staff and the Planning Commissioners were incorporated into the Planning Commission Recommended Public Hearing Draft.

OTHER AGENCY INVOLVEMENT/IMPACT

The amendments were referred to all applicable responsible agencies and were reviewed and recommended for approval by the Planning Commission.

In addition, County Counsel reviewed the resolution and ordinances as to form and legal effect.

FINANCIAL CONSIDERATIONS

County initiated amendments are processed using funds in the current Planning and Building Department budget.

RESULTS

Final approval of the requests will allow the amendments to become effective 30 days after today's date. These general plan amendments are consistent with the countywide goal of promoting prosperous and livable communities.

ATTACHMENTS

Attachment 1 - Board Resolution for Adoption

Attachment 1a - Exhibits for LRP2013-00014:B, LRP2013-00014:C and LRP2013-00014:D (Amendments to the Oceano, San Miguel and Shandon Community Plans)

Attachment 1b – Exhibit LRP2012-00010:B – Housing Element Update

Attachment 1c - Ordinance for Adoption

Item 1(A) – Disadvantaged Communities Amendments

Attachment A3 - Planning Commission Resolution with Findings and exhibits

Attachment A4 - Planning Commission Draft Minutes of May 22, 2014

Attachment A5 - Planning Commission Staff Report for May 22, 2014

Item 2 (B) – Housing Element Amendments

Attachment B1 - Planning Commission Resolution with Findings and exhibit
(Planning Commission Recommended Draft with changes shown in underline
and strikeout - Clerk filed)
Attachment B2 - Planning Commission Draft Minutes of May 29, 2014
Attachment B3 - Planning Commission Correspondence Received
Attachment B4 - May 29, 2014 Staff Memo to Planning Commission with correspondence
and additional staff recommended revisions (prior to the May 29, 2014 hearing)
Attachment B5 - Planning Commission Draft Minutes of May 22, 2014
Attachment B6 - Planning Commission Staff Report from the May 22, 2014 Meeting
Attachment B7 - May 21, 2014 Staff Memo to Planning Commission with correspondence
and additional staff recommended revisions (prior to the May 22, 2014 hearing)